

## Message Text

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ORIGIN EB-08

INFO OCT-01 EA-10 ISO-00 AGRE-00 CIAE-00 COME-00  
INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-03  
OMB-01 L-03 SS-15 NSC-05 SSO-00 NSCE-00 INRE-00  
/063 R

DRAFTED BY EB/FTD:SFOUTS:HM  
APPROVED BY EB/ICD:CANGEVINE  
AGRIC - WDAVIS  
EA/PHL - JSARTORIUS  
EB/TRP - DBURNS (INFO)  
-----073291 172242Z /73  
O 172137Z AUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY MANILA IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRD, RP

SUBJECT: COTTON CONTRACT PROBLEM - YUPANGCO

REF: MANILA 12815

1. CIEC COUNSEL HAS INFORMED DEPARTMENT THAT CIEC HAS COMPLETED REVIEW OF TEXTS OF RELEASE AND QUITCLAIM. THEIR ONLY REMAINING CONCERN IS TO OBTAIN ABSOLUTE ASSURANCE THAT FILING OF QUITCLAIM IN PHILIPPINE COURT WILL HAVE EFFECT OF VACATING JUDGEMENT AGAINST CIEC, I.E., THAT THERE IS NO WAY THAT YUPANGCO CAN MAINTAIN JUDGEMENT IN EFFECT ONCE QUITCLAIM IS EXCHANGED. CIEC'S EXTREME CAUTION IS UNDERSTANDABLE IN LIGHT OF HISTORY OF THIS DISPUTE.

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2. CIEC HAS ASKED ITS MANILA COUNSEL TO INDICATE IF THERE COULD BE ANY PROBLEM IN VACATING JUDGEMENT ONCE QUITCLAIM IS RECEIVED, AND EXPECTS ANSWER FROM MANILA WITHIN TWO OR THREE DAYS.

3. WASHINGTON AGENCIES BELIEVE THAT WE SHOULD DEFER ACTION TO RELEASE DBP FROM OBLIGATIONS UNDER LETTER OF

ASSURANCES WITH REGARD TO YUPANGCO FOR A FEW MORE DAYS  
TO ALLOW CIEC AND YUPANGCO TO SETTLE THIS LAST REMAINING

PROBLEM AND TO ASSURE THAT NO SUBSTANTIVE PROBLEMS WILL  
ARISE. USDA HAS THEREFORE AGREED TO EXTEND SHIPPING  
DATE FOR BECKMAN-YUPANGCO CONTRACT TO OCTOBER 15, WHICH  
SHOULD ALLOW DBP TO GRANT FURTHER EXTENSION TO YUPANGCO  
OR USE OF CCC CREDIT LINE FOR BECKMAN CONTRACT.

4. WE WILL ADVISE EMBASSY IMMEDIATELY OF ANY FURTHER  
DEVELOPMENTS REGARDING CIEC ACTION ON THIS ISSUE. VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE195635  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** SFOUTS:HM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009